

Assembly Bill No. 1561

CHAPTER 127

An act to amend Sections 18804 and 18808 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 16, 2014. Filed with
Secretary of State July 16, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1561, Rodriguez. Taxpayer contributions: California firefighters' and peace officer memorial funds.

The Personal Income Tax Law authorizes an individual to contribute amounts in excess of his or her tax liability for the support of specified funds, including, among others, the California Firefighters' Memorial Fund and the California Peace Officer Memorial Foundation Fund. Existing law provides for the repeal of the contribution provisions for these funds on January 1, 2016.

This bill would instead repeal those provisions on January 1, 2021.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The California Fire Foundation and the California Peace Officers Memorial Foundation, Inc. have been at the center of California's commitment to honor firefighters and law enforcement officers who have given their lives in the line of duty in service to the citizens of this great state.

(b) Sponsored by The California Fire Foundation and the California Peace Officers Memorial Foundation, Inc., respectively, the California Firefighters Memorial and the California Peace Officers' Memorial were individually designed and built, and are currently maintained to forever memorialize the dedication of our state's fallen heroes.

(c) Both memorials serve as lasting tributes to the men and women who gave their lives to help protect their fellow Californians.

(d) Each year, hundreds gather in Sacramento as our state joins together during ceremonies honoring and remembering the firefighting and law enforcement personnel who made the ultimate sacrifice to keep California safe.

(e) Both The California Fire Foundation and the California Peace Officers Memorial Foundation, Inc. are the official statewide nonprofit, public benefit organizations in receipt of the proceeds from two state personal income tax checkoff funds.

(f) Voluntary taxpayer contributions, which are generated through the two personal income tax checkoffs on the personal income tax form, are earmarked specifically for the California Firefighters Memorial and the California Peace Officers Memorial.

(g) Both The California Fire Foundation and the California Peace Officers Memorial Foundation, Inc. are charged with funding ongoing maintenance and repair of their respective memorials for the thousands who continue to visit these sacred, solemn grounds, while each also hosts an annual memorial ceremony to honor our brave firefighters, law enforcement officers, and the families they leave behind.

(h) Extending the sunset date of the voluntary contributions to the California Firefighters' Memorial Fund and the California Peace Officer Memorial Foundation Fund for state personal income tax checkoffs is appropriate, and doing so will continue to allow these foundations to carry out the important goal of ensuring the memorial sites remain sacred ground for all Californians to remember and reflect upon the contributions and sacrifices of our state's bravest.

SEC. 2. Section 18804 of the Revenue and Taxation Code is amended to read:

18804. (a) This article shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2021, deletes or extends that date.

(b) (1) If the repeal date specified in subdivision (a) has been deleted and if, thereafter, in any calendar year the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than the minimum contribution amount prescribed by paragraph (2), then this article is inoperative with respect to taxable years beginning on and after January 1 of that calendar year. The Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(2) For purposes of this section, "minimum contribution amount" means two hundred fifty thousand dollars (\$250,000) for any calendar year.

(c) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

SEC. 3. Section 18808 of the Revenue and Taxation Code is amended to read:

18808. (a) This article shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2021, deletes that date.

(b) If the repeal date specified in subdivision (a) has been deleted, all of the following apply:

(1) By September 1 of the calendar year beginning after the effective date of the act deleting the repeal date and by September 1 of each subsequent calendar year that the California Peace Officer Memorial

Foundation Fund appears on a tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the California Peace Officer Memorial Commission of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000) for the first calendar year beginning after the effective date of the act that deleted the repeal date specified in subdivision (a), or the minimum contribution amount adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with calendar year 2005, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum contribution amount specified in subdivision (b) as follows:

(1) The minimum contribution amount for the calendar year shall be an amount equal to the product of the minimum contribution amount for the prior calendar year multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.